METAGUEST.AI INCORPORATED
(Formerly BnSellit Technology Inc.)

Management Discussion and Analysis For the year ended December 31, 2023

This Management's Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Metagust.AI Incorporated (formerly BnSellit Technology Inc.) and its subsidiary Metaguest Incorporated (formerly BnSellit Technology (US) Inc.) ("METG" or the "Company") and reviews its financial results for the year ended December 31, 2023. The MD&A should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2023 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

Additional information relating to the Company can be located on the SEDAR+ website at www.sedarplus.ca. This MD&A is current as at April 26, 2024.

Caution on Forward-Looking Statements

The MD&A contains certain forward-looking statements concerning anticipated developments in the Company's operation in future periods. Forward-looking statements are frequently, but not always identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements in the MD&A may include statements regarding budgets, capital expenditures, timelines, strategic plans, or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes, arbitration and litigation; uncertainty of estimates of capital and operating costs, the need to obtain additional financing to develop products and contents; uncertainty as to the availability and terms of future financing; the possibility of delay in research or development programs and uncertainty in meeting anticipated milestones; uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

Overall Performance and Business History

Metaguest.AI Incorporated is a technology company that connects guests staying in hotels with in-room and on-location commerce driven by AI. Metaguest provides hotel operators a variety of licensing options that include white label, private branding and hybrid solutions to maximize per-stay revenue and guest satisfaction at each property. The Metaguest suite of products re-envisions the guest experience and hospitality industry by integrating AI-driven solutions into every aspect of a guest's stay. Through simple QR/NFC tokens throughout each hotel property guests gain access to a world of convenience and luxury previously only available at 5-star hotels.

Metaguest On-Demand Services empowers guests to effortlessly request hotel services like housekeeping, room services and property amenities anywhere on the property. Together, with Metaguest Payments this allows guests to enjoy frictionless payment solutions for in-room minibars and lobby snack bars, rewards programs and more. Metaguest Experiences provides guests access to AI curated lists of local attractions, events, wellness, dining, retail options and more all tailored to each guest's unique tastes and preferences.

The future of Metaguest delivers these guest experiences through AI avatars that together with the Metaguest product suite redefine hospitality and bring an unparalleled way to connect with hotels and the business around them. These AI avatars are always available and connect each node together into one cohesive ecosystem - from creating itineraries, booking reservations, delivering towels to a guest-room, absorbing guest feedback and handling any request through advanced language models.

Metaguest earns revenue from transaction fees on transactions that flow across the payments platform together with subscription revenue from local attractions, businesses and enterprise partners offering services through the Metaguest platform.

The company was incorporated pursuant to the Business Corporations Act (Alberta) on February 4, 2021. The company changed its name from BnSellit Technology Inc. to Metaguest.AI Incorporated on October 17, 2023. The company's head office is located at 122 Judge Road Unit 2, Toronto, ON, M8Z 5B7 and its registered office is located at 210 - 2020 4th Street SW, Calgary, AB T2S 1W3. The company has one wholly-owned subsidiary, BnSellit Technology (US) Inc. which was incorporated pursuant to the General Company Law of the State of Delaware on May 20, 2021. The registered office of BnSellit Technology (US) Incorporated is located at 2140 S Dupont Hwy, Camden, Delaware, USA 19934. No shares of BnSellit Technology (US) Incorporated are listed or trade on any stock exchange.

Since the company was incorporated, it has purchased the IP in the Metaguest platform from a related company (RT7 Incorporated), obtaining a listing on the CSE (CSE:METG (Formerly BNSL)), added platform updates and improvements, built a distribution network, signed agreements with hotel partners to increase platform reach and grown the internal team.

The company officially launched as an STR platform in the US in October 2021. The company originally concentrated on onboarding short-term rental ("STR") hosts to the platform and offered hosts a way to increase per-stay revenue by offering items within their rental property for sale. This was later paired with a concierge service that allowed guests to book local activities nearby. Later in 2022, these products expanded to hotels and resort properties.

The company partnered with its first hotel property during Q1-2022, offering both the payments platform and experiences service to guests. Today, over 200 hotels with over 20,000 rooms use the Metaguest platform. The company changed its name to Metaguest.AI Incorporated to better reflected the company's present technology and business strategy directed to hotels and driven by AI. The fusion of generative AI for content, communication and information together with proprietary transaction AI results in a new way to enhance the guest experience and drive increased sales throughout the hospitality segment.

For the year ended December 31, 2023, the company's sales increased to $342,086 (2022 - $9,544). Of the sales, $46,180 (2022 - $Nil) was for future monthly subscription services resulting in revenue and net sales of $295,906 (2022 - $9,544). Prior to the year end December 31, 2023 the company had minimal operating income due to free trials it offered to its first hotel partners. The company began generating income during the year as hotels continued to onboard the Metaguest platform. The company continues to market the platform to key target markets and is executing its targeted marketing plan aimed at key US states and hotel partners.

Outlook

Metaguest earns income from the Hotel sector and, as a result, demand for Metaguest's services is generally linked to the overall trends in the Hotel sector. Additionally, Metaguest operates primarily in the US market and growth in 2024 is expected to outpace previous years.

Other trends that are expected to continue and that will feed growth in the Hotel sector as a whole include the continued ability for individuals to work remotely from the office, thus allowing workers to work from anywhere and enable the ability to mix vacation and work time. More than 60% of employers expect to use a hybrid approach that will give workers flexibility around when and why they work form the office.

Based on the trends seen in the marketplace and discussions with hotel operators, Management continues to expect the

Enterprise division to drive growth over the next year, while the number of Hosts using the STR Platform will continue to grow organically. Domestic travel is still expected to drive much of the revenue: HomeToGo reports a 23% increase in searches for stays within the USA among American travellers.

The Company plans to focus on marketing the Platforms to Hosts and hotels and is not expecting to make additional large technology changes for the remainder of the year. The Company will continue to sign up hotel operators to the Enterprise division and to increase the number of Hosts and rooms on the Platforms.

The Company intends to finance its future requirements through a combination of operating income, debt and equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

RESULT OF OPERATIONS

Summary of Annual Results

For the year ended	**Dec 31/23**	**Dec 31/22**	**Dec 31/21**
Total revenue	$ 295,906	$ 9,544	$ 216
Net income (loss) for the period	(1,843,252)	(1,794,703)	(868,517)
Net income (loss) per share	(0.03)	(0.04)	(0.02)
Total assets	1,217,313	1,445,251	2,075,650
Long term financial liabilities	177,481	318,016	87,400
Dividends paid	-	-	-

For the year ended December 31, 2023

As at December 31, 2023, the Company had current assets of $69,713 (2022 - $191,255) and current liabilities of $718,187 (2022 - $509,651). As at December 31, 2023, the Company had negative working capital of $648,474 (2022 - $318,396).

The Company had cash of $3,477 (2022 - $105,394) as at December 31, 2023. During the year ended December 31, 2023, the Company had cash outflows from operations of $596,061 (2022 - $1,302,873).

For the year ended December 31, 2023, the Company's sales increased to $342,086 (2022 - $9,544). Of the sales, $46,180 (2022 - $Nil) was for future monthly subscription services resulting in revenue / net sales of $295,906 (2022 - $9,544). Given the increased number of hotels signing up for the Company's services, the Company anticipates increased sales in the coming quarters. Sales increased each quarter from: $27,411 in Q1 (2022 - $$854), $72,945 in Q2 (2022 – ($646)), $101,578 in Q3 (($295)) and $140,152 in Q4 (2022 - $9,631). Cost of sales was $15,332 (2022 - $Nil) for the year ended December 31, 2023.

Salaries, wages and benefits for the year ended December 31, 2023 were $687,335 (2022 - $530,089). Salaries increased over the prior period as the Company's business operations expanded specifically in related to sales. As the Company's operations further expand, the Company anticipates increased salary costs.

Subcontractors for the year ended December 31, 2023 were $202,995 (2022 - $215,758). As the Company's operations expand, the Company anticipates increased subcontractor costs.

Professional fees including legal, audit fees and investor relations for the year ended December 31, 2023 were $135,143 (2022 - $410,261). The decrease in professional fees is due to the reduction in investor relations fees were due to a Capital Markets Consulting and Marketing Agreement with Hybrid Financial Ltd. The Company settled the fees due and fees payable to Hybrid

Financial during 2022.

Share based compensation expenses for the year ended December 31, 2023 were $546,769 (2022 - $242,780). During the third quarter of 2022, the Company issued 3,410,000 stock options to directors, officers, employees and consultants. Share based compensation should remain consistent in the coming quarters.

Office and administration costs for the year ended December 31, 2023 were $108,479 (2022 - $81,435). Office and administration expenses increased over the prior period as the Company's business operations expanded. As the Company's operations further expand, the Company anticipates increased office and administration costs.

Interest and accretion for the year ended December 31, 2023 were $80,390 (2022 - $44,010). The company records interest and accretion on its bridge loans and convertible debentures.

Depreciation expenses for the year ended December 31, 2023 were $355,674 (2022 - $277,699) and depreciation expenses should remain consistent in the coming quarters. Included in depreciation is the amortization of the Company's intellectual property, equipment and right of use assets.

Total expenses for the year ended December 31, 2023 were $2,213,826 (2022 - $1,804,247). Net and comprehensive loss for the year ended December 31, 2023 was $1,843,252 or $0.03 per common share (2022 - $1,794,703 or $0.04 per common share).

For the three months ended December 31, 2023

For the three months ended December 31, 2023, the Company's sales increased to $140,152 (Three months ended December 31, 2022 - $9,631). Of the sales, $30,463 (2022 - $Nil) was for future monthly subscription services resulting in revenue / net sales of $109,689 (2022 - $9,631). Cost of sales was $6,147 (2022 - $Nil). Given the increased number of hotels signing up for the Company's services, the Company anticipates increased sales in the coming quarters.

Salaries, wages and benefits for the three months ended December 31, 2023 were $317,830 (three months ended December 31, 2022 - $136,618). Salaries increased over the prior period as the Company's business operations expanded. As the Company's operations further expand, the Company anticipates increased salary costs.

Subcontractors for the three months ended December 31, 2023 were $27,022 (three months ended December 31, 2022 - $40,280). As the Company's operations expand, the Company anticipates increased subcontractor costs.

Professional fees including legal and audit fees for the three months ended December 31, 2023 were $58,298 (three months ended December 31, 2022 - $4,593). The increase in professional fees is due to the costs associated with financing and expansion of operations in the United States.

Share based compensation expenses for the three months ended December 31, 2023 were $138,852 (three months ended December 31, 2022 - $123,202). Share based compensation should remain consistent in the coming quarters.

Office and administration costs for the three months ended December 31, 2023 were $41,477 (three months ended December 31, 2022 - $18,515). As the Company's operations further expand, the Company anticipates increased office and administration costs.

Interest and accretion for the three months ended December 31, 2023 were $15,845 (three months ended December 31, 2022 - $28,514). The company records interest and accretion on its bridge loans and convertible debentures.

Depreciation expenses for the three months ended December 31, 2023 were $81,941 (three months ended December 31, 2022 - $200,685) and depreciation expenses should remain consistent in the coming quarters. Included in depreciation is the amortization of the Company's intellectual property, equipment and right of use assets.

Total expenses for the three months ended December 31, 2023 were $658,439 (three months ended December 31, 2022 - $552,407). Net loss for the three months ended December 31, 2023 was $533,430 or $0.01 per common share (three months ended December 31, 2022 - $542,776 or $0.01 per common share).

QUARTERLY RESULTS

	Q4-2023	**Q3-2023**	**Q2-2023**	**Q1-2023**
Revenue	$109,689	$91,365	$67,411	$27,411
Loss	$533,430	$413,412	$456,829	$439,581
Loss per share	$0.01	$0.01	$0.01	$0.01
	Q4-2022	**Q3-2022**	**Q2-2022**	**Q1-2022**
Revenue	$9,631	($295)	($646)	$854
Loss	$542,776	$517,436	$403,366	$331,125
Loss per share	$0.01	$0.01	$0.01	$0.01

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had current assets of $69,713 (2022 - $191,255) and current liabilities of $718,187 (2022 - $509,651). As at December 31, 2023, the Company had negative working capital of $648,475 (2022 - $318,396).

The Company had cash of $3,477 (2022 - $105,394) as at December 31, 2023. During the year ended December 31, 2023, the Company had cash outflows from operations of $596,060 (2022 - $1,302,873).

During 2023, the Company issued $480,738 in Units, converted $388,000 of the Convertible Debentures into Units and converted $91,324 of accounts payable into Units. Subsequent to year end, the Company issued $298,890 in Units and received $118,667 from the exercise of warrants.

On February 8, 2024, the Company closed a secured convertible loan in the amount of $235,000 with a private lender, a company with common officers and directors of the Company. The convertible loan bears an interest rate of 12%, is convertible at a price of $0.30 per common share and has a maturity date of February 6, 2025. The Corporation has also issued 117,500 share purchase warrants, to the Lender, exercisable for two years at a price of $0.30 per share. The Convertible Loan is secured by a general security agreement between the parties. Proceeds of the Convertible Loan were used to repay a $210,000 secured bridge loan.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilitiesin the normal course of business for the foreseeable future. The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing for its commitments.

There is no guarantee that management will be successful in securing future financings due to current market conditions.

<u>**Future Cash Requirements**</u>

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of securities, the percentage ownership of current shareholders will be reduced and such securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Classification

Financial assets are classified as subsequently measured at amortized cost or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The classification of subsequently measured at amortized cost is used when the objective of the business model is to hold assets and collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Cash is subsequently measured at amortized cost.

Financial liabilities are classified as subsequently measured at amortized cost, unless they meet the criteria for measurement at fair value or other prescribed measurement. The accounts payable and accrued liabilities are subsequently measured at amortized cost.

Measurement

Financial assets and financial liabilities classified as subsequently measured at amortized cost are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Subsequently, the financial assets and liabilities are measured at amortized cost using the effective interest rate method.

Impairment

Financial assets classified as subsequently measured at amortized cost reflect the Company's assessment of expected credit losses. Expectations reflect historical credit losses, adjusted for forward looking factors. The expected credit loss provision is based on expectations for the next twelve months unless there has been a significant increase in the customer's credit risk, resulting in the provision being based on expectations for the remaining lifetime of the asset.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

Off-Balance Sheet Arrangements & Proposed Transactions

The Company has no off-balance sheet arrangements or proposed transactions.

Transactions between Related Parties

During 2023, the Company paid wages and related benefits to individuals related to a director of the Company in the amount of $113,580 (2022 - $78,667).

During 2022, a Director and an Officer of the company subscribed for $32,000 (2022 - $Nil) in the Convertible Debentures. Interest of $973 (December 31, 2022 - $619) was paid on the Convertible Debentures. On April 21, 2023, the Company settled the $32,000 in Convertible Debentures with the issuance of units at a price of $0.06 per unit.

During 2023, the Company incurred fees of $23,000 (2022 - 23,600) from a company controlled by a director of the Company for marketing services.

During 2023, the Company incurred fees of $50,968 (2022 - $56,112) from companies related to directors of the Company for legal services.

The Company considers key management to be the CEO, CFO, CTO and COO. Key management compensation recognized in wages and related benefits and subcontractors as follows:

		2023		2022
Salaries, consulting and benefits	$	80,000	$	179,450
Share based compensation		207,104		89,240
	$	287,104	$	268,690

Included in accounts receivable is $2,000 (2022 - $15,000) owed from a member of key management.

OUTSTANDING SHARE DATA

The following share capital data is as of:

	April 26 2024	Dec 31 2023	Dec 31 2022
Class A common shares	63,612,915	61,429,934	46,813,565
Stock options ($0.375 options expiring July/Aug 2027)	3,410,000	3,410,000	3,610,000
Warrants ($0.10 warrants expiring Sept-Dec 2024)	5,948,163	7,134,844	Nil
Warrants ($0.30 warrants expiring Feb 2026)	117,500	Nil	Nil
Warrants ($0.50 warrants expiring May – Oct 2025)	671,483	173,333	Nil

Additional Disclosure for Venture Issuers Without Significant Revenue

(a) capitalized or expensed exploration and development costs - none
(b) expensed research and development costs - none
(c) deferred development costs - none
(d) general and administration expenses – other than detailed above in the results of operations, office and administration costs which totaled $108,479 (2022 - $81,283) for the year ended December 31, 2023 include marketing & promotion of $44,115 (2022 - $29,177), subscription fees of $29,391 (2022 - $16,879), freight & delivery of $202 (2022 - $7,051), insurance of $7,592 (2022 - $6,736), office supplies of $10,835 (2022 - $5,124), rent of $6,245 (2022 - $8,284), technology costs of $4,002 (2022 - $3,197) and bank charges of $6,097 (2022 - $4,835).

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Key areas with estimate uncertainties are as follows:

Indicators of impairment of IP – Management is required to assess, at each reporting date, whether there are any indicators that the asset may be impaired. Management is required to consider information from both external and internal sources.

Key areas with judgments in applying accounting policies are as follows:

Going concern – Management is required to make a judgment on whether the Company will be able to continue as a going concern.

Consolidation

Assets, liabilities, income and expenses of the subsidiary are included in the consolidated financial statements from the date that the Company gains control until the date that the Company ceases to control the subsidiary. All intercompany balances and transactions have been eliminated on consolidation.

ADDITIONAL INFORMATION

Additional information pertaining to the Company is available on the SEDAR+ website.